

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

IN RE: §
§ CASE NO. 06-32619-H2-11
LASER DENTISTRY, PLLC §

MEMORANDUM AND ORDER FOLLOWING STATUS CONFERENCE

A status conference was conducted on August 25, 2006. This memorandum reflects Debtor's representations of that conference and the orders issued from that conference.

1. **Nature of the debtor's business:** Debtor's business is the practice of general dentistry.
2. **Summary analysis of assets, claims, creditors, collateral and equity interest owners:** CIT holds a lien on the building. HPSC holds a lien on the equipment. The building and equipment are the principal assets. The unsecured debt is about \$268,000.
3. **Reasons for filing the petition:** Debtor's business was a new business begun about 2004. Debtor did not have enough cash flow to support the debt obligations.
4. **Debtor's strategy for reorganization:** Debtor is negotiating reduction of debt service and return of some equipment. Debtor is applying to become a PPO.
5. **Anticipated significant events in the case:** The only anticipated significant event is plan confirmation.
6. **Compliance with provisions of the Bankruptcy Code:**
 - a. Obtaining orders for use of cash collateral: Debtor has worked out a cash collateral arrangement with CIT. No other creditor has a security interest in cash collateral.
 - b. Operating as a debtor in possession: The United States Trustee reported that a § 341 meeting was conducted on July 18, 2006, and that following that meeting, the United States Trustee sent a letter to the Debtor explaining certain deficiencies and requirements for prosecution of the case. After an opportunity for the Debtor and other parties to respond, and after consideration, the Court orders the Debtor to comply with the requirements stated in the U.S. Trustee's letter, a copy of which is attached to this Memorandum/Order. The deadline for compliance is September 5, 2006.

- c. Other: The professional fees are estimated to be \$10,000 to \$25,000. Debtor reports that the business increases toward the end of the year when patients are using employer reimbursement accounts and families have returned from vacation. Therefore, Debtor seeks to delay confirmation to that season.
7. The deadline for filing a plan and disclosure statement is December 15, 2006. The Debtor shall provide a courtesy copy of the plan and disclosure statement to the court's chambers at the same time that they are filed with the clerk. The Court will consider tentative approval of the plan and disclosure statement and combination of the hearings.
8. **The Debtor was examined concerning whether all tax returns have been filed.** The Debtor explained that he is required to file IRS Form 1040, Schedule C and 940 and 941. Debtor reported that all tax returns are current and all taxes have been paid.

The Debtor is further ordered to file all postpetition tax returns on the due date, without extensions, and to pay postpetition taxes when due.

9. **Need for future status conferences:** The Court will set no further status conferences.

SIGNED *August 23, 2006*.

Wesley W. Steen

WESLEY W. STEEN
UNITED STATES BANKRUPTCY JUDGE



U.S. Department of Justice

Office of the United States Trustee

*Southern and Western Districts of Texas
Region*

515 Rusk, Suite 3516
Houston, Texas 77002
(713)718-4650
(713)718-4670 Fax

July 19, 2006

Reese W. Baker, Esq.
Baker & Associates
5151 Kety Frwy., Suite 200
Houston, TX 77007

(Via E-Mail at reese.baker@bakerassociates.net)

Re: Case No. 06-32619-H2-11 - *In re* Laser Dentistry, P.L.L.C.

Dear Mr. Baker:

I am writing to summarize the outstanding items as a result of yesterday's meeting of creditors.

As the testimony at the creditors' meeting made clear, the debtor should: (a) prepare and file an amended schedule B so as to include an itemized listing of its equipment; (b) prepare and file an amended schedule H to reflect Dr. Shahriar Adibi as a guarantor of the debts owed to CIT Small Business Lending Corporation and HPSC, Inc.; (c) prepare and file an amended statement of financial affairs which discloses its gross receipts in item one, its gross rental income in item two, its payments to creditors in item 3, and withdrawals by Dr. Shahriar Adibi in item 23; (d) prepare and file applications to retain general bankruptcy counsel and, if necessary, an accountant; (e) transmit to the UST evidence, in the form of a certificate of insurance, of commercial general liability insurance, commercial property damage insurance, and professional liability insurance; (f) ensure that the UST is listed as a party to be notified in the even of cancellation or nonrenewal of any insurance policy; (g) transmit to the UST a copy of the corporate resolution authorizing the filing of the bankruptcy case; and (h) obtain lienholder consent or court approval for use of cash collateral.

The debtor should prepare and file monthly operating reports on a timely basis. Operating reports are due on or before the twentieth of the month following the reporting period.

Moreover, the debtor should comply fully with section 346, with the deposit requirements of the Internal Revenue Code and its Regulations, and with all state tax law requirements.

Sincerely,

RICHARD W. SIMMONS
UNITED STATES TRUSTEE

By: /s/ Hector Duran
Hector Duran
Trial Attorney